

HE
3419
C17A5
1869

CAPE OF GOOD HOPE
PARLIAMENT
LEGISLATIVE COUNCIL
SELECT COMMITTEE ON
RAILWAY EXTENSION
REPORT

A
A
0
0
1
0
0
7
6
9
1
7

UC SOUTHERN REGIONAL LIBRARY FACILITY



THE LIBRARY
OF
THE UNIVERSITY
OF CALIFORNIA
LOS ANGELES

GIFT OF
THE ARCHIVES DEPARTMENT,
UNION OF SOUTH AFRICA.

UNIVERSITY OF CALIFORNIA
LOS ANGELES

JUN 5 1961
CAPE OF GOOD HOPE.

LIBRARY
VT. PUBS. ROOM

REPORT

OF THE

SELECT COMMITTEE

APPOINTED BY THE

LEGISLATIVE COUNCIL

TO INQUIRE INTO AND REPORT UPON

RAILWAY EXTENSION.



Published by order of the Legislative Council.
1869.

CAPE TOWN:
SAUL SOLOMON & CO., STEAM PRINTING OFFICE.
1869.

THE UNIVERSITY OF

CHICAGO

LIBRARY

OF THE

UNIVERSITY OF CHICAGO

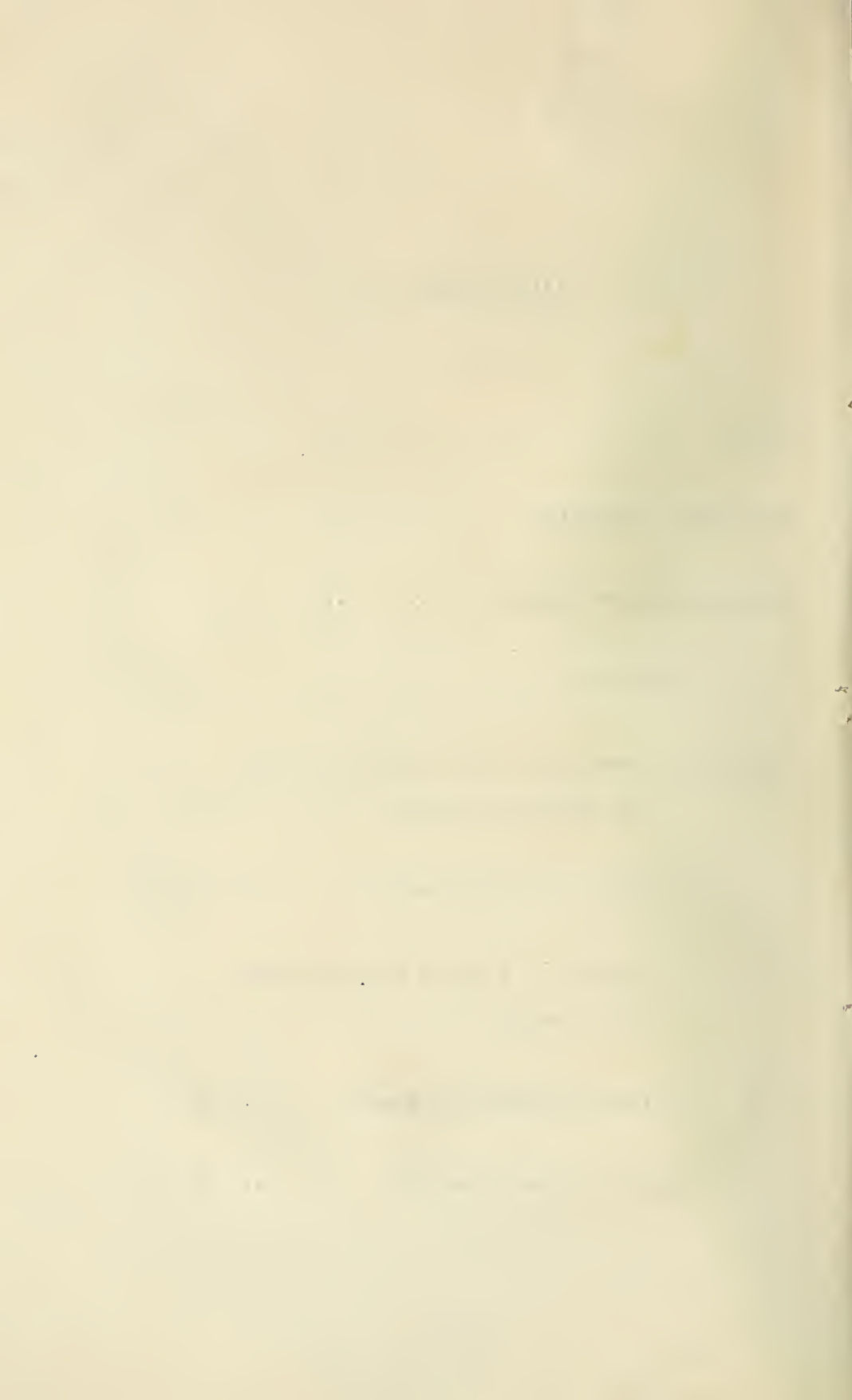
HE
3419
C17A5
1869

CONTENTS.

	PAGE.
REPORT	v
PROCEEDINGS OF COMMITTEE	ix
EVIDENCE of Hon. Mr. Southey	1
„ „ Mr. Brounger	9
APPENDIX A.—Correspondence between Cape Railway Com- pany and Colonial Government	19
„ B.—Extracts, “ Roney on Railways”	24
„ C.—Expenditure on Roads and Bridges from 1844 to 30th June, 1869	25
„ D.—Petition for Extension of Railways	28
„ E.—Petition against Sub-guarantee	30

DSW

1095527



REPORT

OF THE

SELECT COMMITTEE appointed by the LEGISLATIVE COUNCIL on the 30th August, 1869, "to inquire into and report upon the desirability of extending RAILWAYS in this COLONY, with power to call for Papers and examine Witnesses."

PRESENT :

Mr. FLEMING (Chairman),

Mr. Wood,
Mr. Godlonton,
Mr. Chase,
Mr. Neethling,

Mr. de Smidt,
Mr. van Breda,
Mr. de Roubaix.

1. The Committee have unanimously come to the conclusion that it is imperatively necessary, for the sake of colonial enterprise and advancement, that public undertakings should not be longer delayed. They conceive that without railways between the producing portion of the Colony and the ports of the country it will not be possible for the Cape Colony to keep pace with other colonial dependencies, or that the agricultural interest, upon which the whole welfare of the Colony depends, can be permanently prosperous or the Colony ever be properly developed.

2. The Committee submit evidence which conclusively proves that railways suitable for all requirements of the Colony can be constructed at a much less cost than that of the present Wellington line, more especially by means of convict labour. At the present moment it is anticipated that, by the completion of Table Bay Docks and other works, a considerable number of convicts will be available, and that these, or a large portion of them, might be engaged on railways with great advantage to the Colony.

3. That the present extent of Crown lands in the Colony available for any purpose Parliament may deem expedient, exclusive of large extents of ground the approximate area of which is not ascertained, amounts to 60,275,000 acres, the value of which may be fairly estimated at one shilling per acre, or £3,013,750. Your Committee come to this conclusion from the fact that since the Government have commenced to sell and lease Crown lands, the amount so realized exceeds the estimate of a shilling per acre; and they are of opinion that if a large or any portion of this land were offered to public competition, either in England or elsewhere, the amount of one shilling would be readily obtained,—a great fact, suggesting the wealth at the command of the Colony, and warranting the prosecution of railways, either by appropriation of grants of land or otherwise.

4. That your Committee regret that the works at Tulbagh Kloof, having been executed at a considerable cost, should continue in their present unproductive position; and it is again suggested that Government should endeavour, by an equitable offer to the present shareholders, to acquire possession of the Wellington line, which the Committee believe might then be worked with great advantage to the public, and that, to this end, a Bill should be introduced into Parliament authorizing the Government to act in the matter.

5. That it is the opinion of your Committee that the railway so long contemplated in the Eastern Province should be commenced as early as possible; power being given to Government to treat with individuals or companies for a branch line to the town of Uitenhage, or other places,—the Government, however, always retaining possession of the entrance into Port Elizabeth.

6. That in the construction of future railways every advantage should be taken of the woods of the Colony, for sleepers, carriages, stations, &c.

7. That your Committee deem it essential,—considering that the future prosperity of these undertakings must depend in a great measure upon their economic construction and the efficient management of their working expenditure,—that a special department under Government, for the furtherance of this object, should be constituted,—viz., a Railway Board or Boards, composed of men of well-known intelligence and

financial experience, in whose judgment and deliberation the Colony would have confidence.

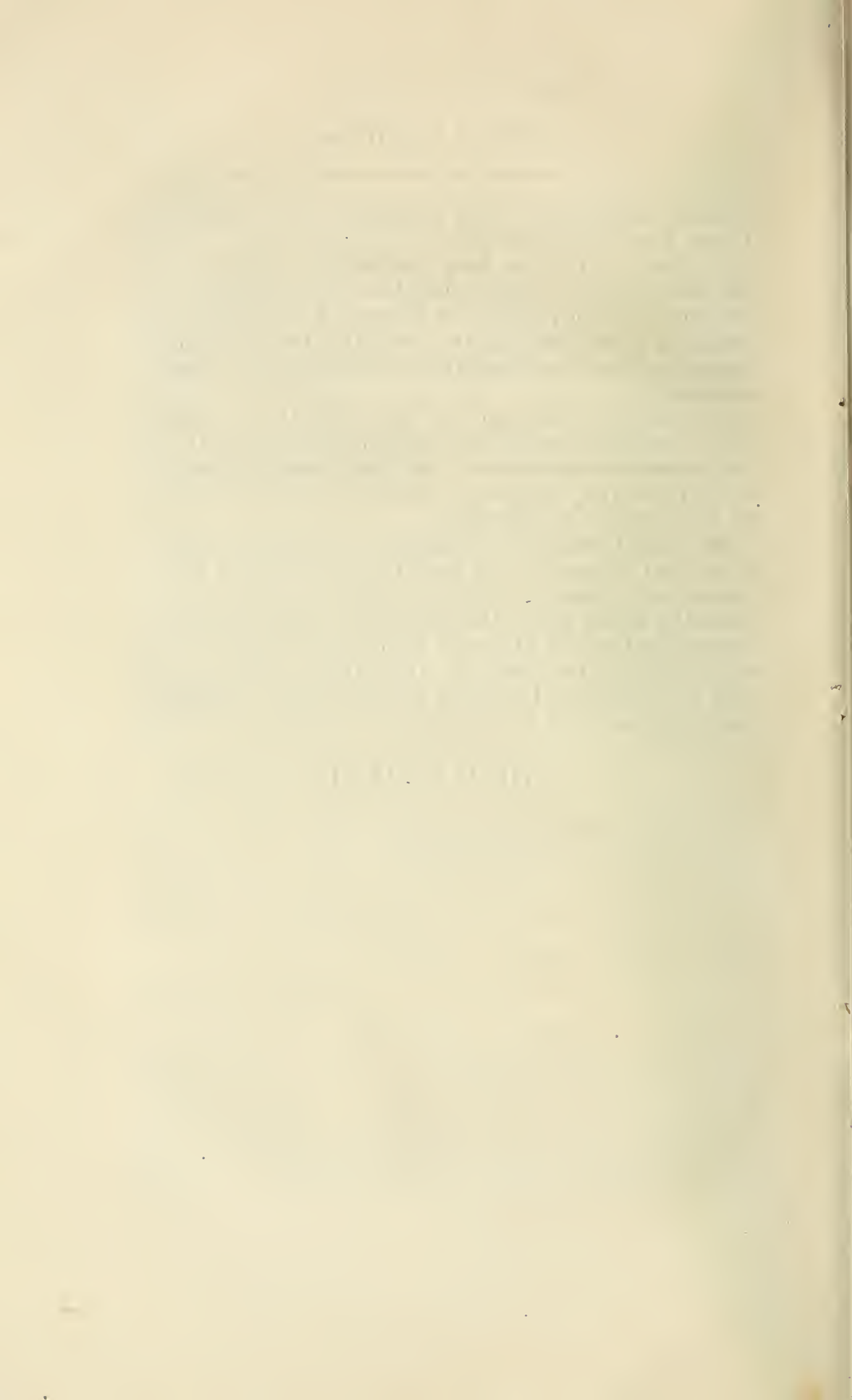
8. That everything, as far as practicable, connected with the construction of railways should be done by public tender, such as in the purchase of sleepers, rails, locomotives, arranging freight, landing, &c. ; and that the Government Gazette and local newspapers be the media of such communications.

9. Your Committee have also had under their consideration a petition signed by 32 inhabitants of Cape Town, on the subject of sub-guarantee ; and your Committee submit to the House that the same be transmitted to the Governor for his favourable consideration.

10. Your Committee, in conclusion, would draw attention to the most important works already constructed, both in the Eastern and Western Province, which have been accomplished by means within the reach of the Colony ; and they conceive that there is at present sufficient labour as well as skill available in the Colony for the purpose of carrying out such an extension of railways as shall, more adequately than at present, meet the constantly increasing wants of the Colony.

WILLIAM FLEMING, Chairman.

Committee Rooms, 21st September, 1869.



PROCEEDINGS OF COMMITTEE.

Thursday, 2nd September, 1869.

PRESENT :

Mr. Fleming,	|	Mr. Wood,
Mr. Chase,	|	Mr. van Breda,
Mr. Godlonton,	|	Mr. de Smidt.

Resolved,—That Mr. Fleming be Chairman of this Committee. Order of Council, dated 30th August, 1869, appointing the Committee, read.

Report of the Select Committee of Legislative Council on Railways, dated 28th July, 1868, referred to.

Report of the Select Committee of the House of Assembly on Railways, dated 26th August, 1868, referred to.

The Chairman submits extracts from Sir C. P. Roney's "Rambles on Railways." (Appendix B.)

Committee in deliberation.

Mr. Godlonton moves, after discussion, "The Committee resolves that, in its opinion, the construction of railways is indispensable to the welfare and future progress of this Colony; and it is further of opinion that railways may be constructed, mainly by the aid of convict labour, at an expence and on such economical principles as are within the means of this country."

Agreed to.

Resolved,—That the Hon'ble Colonial Secretary be invited to attend and give evidence at the next meeting.

Committee adjourns till Monday next, at 11 o'clock.

Monday, 6th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),		
Mr. Godlonton,	|	Mr. van Breda,
Mr. de Smidt,	|	Mr. Chase,
Mr. Wood,	|	Mr. Hall,
Mr. de Roubaix,	|	Mr. Neethling.

Minutes of last meeting read and approved.

Hon. Mr. Southey examined.

Committee adjourns till Wednesday next, at 11 o'clock.

Wednesday, 8th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. Chase,	|	Mr. Neethling,
Mr. de Smidt,	|	Mr. Godlonton,
Mr. Wood,	|	Mr. de Roubaix,
Mr. van Breda,	|	Mr. Hall.

Minutes of last meeting read and approved.

The Chairman submits "Papers connected with Railways," forwarded by His Excellency the Governor to the Council, and by the Council referred to this Committee, by order, dated 3rd September, 1869. (Appendix A.)

Resolved,—That Mr. Bronger be invited to attend and give evidence at the next meeting of the Committee.

Committee adjourns till Friday, the 10th instant, at 11 o'clock.

Friday, 10th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. de Smidt,	|	Mr. de Roubaix,
Mr. Wood,	|	Mr. Hall,
Mr. van Breda,	|	Mr. Neethling,
Mr. Godlonton,	|	Mr. Chase.

Minutes of last meeting read and approved.

Mr. Bronger examined.

Committee in deliberation.

Committee adjourns till Friday, the 17th instant.

Friday, 17th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. Neethling,	|	Mr. Chase,
Mr. de Smidt,	|	Mr. van Breda,
Mr. Wood,	|	Mr. de Roubaix,
Mr. Hall,	|	Mr. Godlonton.

Minutes of last meeting read and approved.

Chairman submits petition of 492 inhabitants of Cape Town, praying the Council "To devise some legislative measure for the extension of Railways in this Colony, and for giving the Government the necessary authority for purchasing from the Cape Railway Company the Cape and Wellington Line," referred to this Committee by order of Council, dated 15th September, 1869. (Appendix D.)

Chairman submits draft Report.

Committee adjourns till Tuesday, the 21st instant, at 11 o'clock.

Tuesday, 21st September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. Wood,	|	Mr. de Smidt,
Mr. Godlonton,	|	Mr. van Breda,
Mr. Chase,	|	Mr. de Roubaix.
Mr. Hall,	|	

Minutes of last meeting read and approved.

The Chairman submits statement received from the Colonial Office showing the expenditure on the construction of Roads and Bridges from 1844 to the 30th June, 1869. (Appendix C.)

Mr. de Roubaix submits petition from 32 landed proprietors and other inhabitants of Cape Town and its vicinity praying the Council to repeal the existing law as to the sub-guarantee; and as to the arrears of such guarantee, that means be devised for granting such time as will enable parties to liquidate such obligation, referred to this Committee by order of Council dated 17th September, 1869. (Appendix E.)

Committee in discussion on Report.

Sections 1, 2, and 3 of draft Report approved.

Mr. Wood moves that in Section 4 the following words of the draft Report be omitted: "That your Committee consider it highly expedient that the works already executed at Tulbagh Kloof should be utilized," and that the following words be inserted in lieu thereof: "That your Committee regret that the works at Tulbagh Kloof, having been executed at a considerable cost, should continue in their present unproductive position."

Discussion ensues.

Question put, and Committee divides:

Contents, 4.—Messrs. van Breda, Wood, Neethling, Chase.

Non-contents, 2.—Messrs. de Smidt and Godlonton.

Section 4 amended accordingly.

Sections 5, 6, 7, and 8 approved.

Mr. Wood moves that Section 9 of the draft Report be expunged, viz.: "Your Committee have also had under their consideration a petition most influentially signed by the inhabitants of Cape Town, on the subject of the sub-guarantee, and they would recommend, under existing circumstances, that means be devised by the Government for dispensing with the sub-guarantee imposed by the existing Railway Acts on the 1st January, 1871. In reference to the same memorial, your Committee—taking into consideration the fact that some of the districts which were originally contemplated to be included in the payment of the sub-guarantee are proposed to be exempted therefrom, and that the demand will come most sudden upon the parties liable thereto,—conceive that the petitioners are entitled to the relief prayed for; and your Committee would accordingly strongly urge that ample and sufficient time be afforded to the parties to pay such arrears;" and that the following words be inserted in lieu thereof: "Your Committee have also had under consideration a petition signed by 32 inhabitants of Cape Town, on the subject of the sub-guarantee, and your Committee submit to the House that the same be transmitted to the Governor for his favourable consideration."

Discussion ensues.

Question put, and Committee divides.

Contents 5.—Messrs. Wood, Chase, Godlonton, de Smidt, and Hall.

Non-contents 2.—Messrs. Neethling and van Breda.

Section 9 altered accordingly.

Section 10 approved.

Mr. Neethling moves: That the Report be copied out fair, as amended, and further considered at the next meeting.

Question put, and Committee divides.

Contents 2.—Messrs. van Breda and Neethling.

Non-contents 4.—Messrs. Wood, Godlonton, Chase, and de Smidt.

Mr. Wood moves: That the Report, as amended, be adopted.

Mr. de Roubaix moves, as an amendment: That Section 9, as it originally stood in the draft Report, be adopted.

Discussion ensues.

Question put, and Committee divides.

Contents 3.—Messrs. de Roubaix, Neethling, and van Breda.

Non-contents 5.—Messrs. Chase, de Smidt, Wood, Godlonton, and Hall.

Report adopted, and Chairman instructed to report accordingly.

MINUTES OF EVIDENCE.

COMMITTEE ON RAILWAY EXTENSION.

Monday, 6th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. Godlonton,
Mr. de Smidt,
Mr. Wood,
Mr. Neethling,

Mr. van Breda,
Mr. Chase,
Mr. Hall,
Mr. de Roubaix.

The Honourable Mr. *Southey* examined.

1. *Chairman.*] You are Colonial Secretary?—I am.

2. Are you aware whether there is any unoccupied land that could be made available for carrying out a scheme of railways without imposing a sub-guarantee?—Of course all Crown lands in the Colony are available for any purpose for which the Parliament should resolve to dispose of them. According to the latest returns I have been able to get, the area of the Colony is, exclusive of what used to be British Kaffraria, 119,662,000 acres, of which 59,387,000 have been disposed of, leaving 60,275,000 acres of Crown lands still available for whatever the Parliament should resolve upon. This is a rough calculation. I have also endeavoured to get information as to the probable quantities of such lands in some of the Eastern districts, and I am led to believe that in the Uitenhage division there are about 238,000 morgen; in Bathurst, 21,000 morgen; in Somerset, 16,000 morgen; in Cradock, 67,000 morgen; in Middelburg, 30,000; in Hope Town, 200,000; in Aliwal North, 300,000; in Queen's Town, 200,000; in Richmond, 40,000; in Graaff-Reinet, 212,000; in Beaufort, 60,000. In Humansdorp

Hon.
Col. Secretary.
Sept. 6, 1869

Hon.
Col. Secretary
Sept. 6, 1869.

there are said to be about 50 farms; I do not know exactly of what extent. Of Albany I could not obtain an account; but there is a good deal of such land about the Fish River Valley, between Fort Brown and the mouth of the river, and also in Lower Albany, the old Theopolis lands, and other vacant pieces, here and there; and in the division of East London there are about 75,000 morgen. I have left out some of the districts, because I was not able to ascertain the particulars, but these figures I believe to be within the mark.

3. Mr. *van Breda*.] Where is the information you have now given us procured from?—From the Surveyor-General's office.

4. Can you state the value of the land?—I should not be able to give any precise value to it; but I consider the whole of these lands to be valuable.

5. At the rate at which lands now are sold at public sale?—Yes.

6. Mr. *Wood*.] Could you give us anything like a rough estimate of the quantity of vacant land belonging to Government in the Western districts?—I have not such a statement, but I could give it. In the whole Colony there are about 60 million acres. I have given the quantity in the Eastern districts, so that by taking one from the other you may come near the amount. I can name some of the Western districts in which there are large extents of vacant lands, without giving you the quantities, viz: Victoria West, Beaufort, Fraserburg, Calvinia, Prince Albert, Worcester, Clanwilliam, Namaqualand; these are the principal, but in all the others there are certain extents. In Swellendam there is vacant lands; at the Knysna there are extensive districts of forest land; George and Oudtshoorn both have vacant tracts of Government land; and almost all the other divisions have more or less. A good deal of this is being surveyed. In some districts surveying is being carried on extensively.

7. For ordinary purposes, do you not calculate that a morgen is about two acres?—Yes; it is a little more, I believe, but it is generally reckoned as two acres.

8. Mr. *van Breda*.] Has there been any application from the public for these lands?—There are various applications for leasing, and some for purchase,—I could not say at this moment how many; but a great deal of land is now being surveyed for the purpose of being put up for lease.

9. Mr. *Godlonton*.] Do not the forest lands of the Knysna, which you have mentioned, abound in timber of very valuable character, and suitable for railway purposes?—
 Yes.

Hon.
 Col. Secretary.
 Sept. 6, 1869.

10. *Chairman*.] From your intimate knowledge of the Colony, and the representations made to Government on these matters, can you inform us whether it is desirable that railways should be extended?—I believe the Colony cannot do without railways, and will continue to be very poor until we have them. I have always been a staunch advocate for a railway in the eastern part of the Colony, extending from Port Elizabeth to the Orange River, without laying down any particular course for the line, but leaving that to be decided upon after due inquiry, and I believe that a lighter description of railway than the one we have here would answer all the purpose. I believe that such a railway would pay itself by its direct returns, but its indirect returns would be almost incalculable, looking at the present state of things. I think the public, down about here particularly, expect too much direct return from their railway. It has not been the most fortunate railway we might have had, because the trade for which originally it was principally intended has failed, from circumstances over which the Colony has no control. But still, its indirect advantages are very great. I think that in the extension of railways we should not expect to see a direct return of six per cent. from the capital expended. We never expected that from ordinary roads, and never have had it. I believe railways are very much better than ordinary roads, in every respect, for the country; and we ought to construct them, I think, in preference to ordinary roads, without expecting to get six per cent. back on our outlay. The railway from Cape Town to Wellington, which has been constructed on a very expensive scale, more than returns its working expenses,—and I think if railways will do that, we ought to go on constructing railways. Of course, a lighter railway costing less, its return will be greater in proportion to the outlay.

11. Mr. *de Roubaix*.] In what manner would you propose that railways should be constructed: with what labour?—I would make the convict labour available, as far as it can, and I think it can be, to a considerable extent.

Hon.
Col. Secretary.
Sept. 6, 1869.

12. Would there be a difficulty in finding work for the convicts otherwise?—There would be a difficulty in finding any work so profitable to the Colony as railways would be. I have here a return of the number of convicts at present employed upon public works: At the Breakwater, there are 551; on the road between George and the Knysna, 155; on Tradouw Pass, in the Swellendam district, 131; in Namaqualand, on the road between Springbok and Hondeklip Bay, 155; at Kieskama, on the road to King William's Town, 194; at the Kowie, 144; at East London, 34,—a small party intended to be brought into that on the Kieskama road. The total is 1,364. About 100 of these will be discharged during the present month. I expect that some of the Breakwater convicts can be spared about the end of the year, or soon afterwards; and, under existing circumstances, they would go to some of the other stations where the numbers are not what they should be to make them economical. I may state that the Kieskama road is expected to occupy about eighteen months. The George road should be completed by the end of next year. The road in the Swellendam district, which was only begun lately, is estimated to require 300 convicts for two and a half years. In Namaqualand, I fancy the work must be drawing towards a completion. So that within a moderate time there will be convicts available for railway purposes. I would even be disposed, if you are going to begin railways by convict labour, to draft convicts from other works, and do the other works or some of them, by other labour.

13. You are aware that there is a strong feeling against the payment of the sub-guarantee?—I believe there is a great objection on the part of those who pay it; but I think there ought not to be.

14. Do you think railway extension could be carried out if the payment of the sub-guarantee remains?—I think people generally would be opposed to carrying out railways on the sub-guarantee principle.

15. Mr. *Hall.*] Would it not be worth while to borrow, or issue consols at $4\frac{1}{2}$ or 5 per cent., to raise money for railway extension?—I am rather opposed, at present, to borrowing money, because the interest already is so great. But I would be disposed to stretch a little in favour of a railway in the Eastern districts.

16. Would not the money be spent in the Colony?—Not all. Materials will have to be imported. But a good deal of the money would be spent in the Colony.

11on.
Col. Secretary.
Sept. 6, 1869.

17. Is it not considered that the Cape Town and Wellington Railway was constructed at a far higher cost than was necessary, and done so in consequence of a guarantee at a higher rate than English Government securities would pay?—I have already said that it was constructed on too expensive a scale; and a much lighter railway would have answered all our purposes.

18. Would you consider it of benefit to the Colony to introduce penal servitude, of long terms, even, for railway extension, they being under strong guard of troops?—I am not an advocate for the introduction of foreign convicts into this Colony. This Colony is not adapted for them.

19. But with the consequent increase in the number of troops kept in the Colony?—I would object to it under any circumstances.

20. Mr. *Godlonton*.] Is there not a probability that a great deal of labour might be obtained from the Basuto country?—I think so; and good labour too.

21. Mr. *Wood*.] You say you are acquainted with the reports of the Select Committees which sat last year on railways. In the report of the Council Committee there was a suggestion made, that as many of the convicts as could be spared should be located in the West and the East, and that £30,000 should be appropriated annually for doing as much towards constructing railways as possible with convict labour?—I am very favourable to that.

22. Do you conceive there would be any difficulty in carrying it out?—None at all, excepting, perhaps, from Parliament

23. Would there be any difficulty in raising that amount through colonial debentures in the Colony, at a low rate of interest?—Not the slightest.

24. Can you give the Committee anything like an idea of what you would call a low rate of interest?—When we issued £15,000 debentures for the breakwater, we obtained a premium of 2 per cent. on debentures bearing 5 per cent. interest, and having only three years to run; and we received offers for something over £80,000.

Hon.
Col. Secretary.
Sept. 6, 1869.

25. If these debentures had been of longer date, do you think that would have increased their value?—Considerably.

26. Mr. *Hall*.] Supposing that, instead of issuing these debentures at short date, the Government were to issue consols?—I have no doubt that many people in the Colony would be glad to invest money in a Cape stock, at an interest lower than 5 per cent. In fact I may say that I have had a good many offers of money at less than 5 per cent.—that is, if there were a Cape stock.

27. Do you think 4 per cent. would bring capital from England, 3 per cent. consols being 93?—I should think so. I would rather give 4 per cent. for colonial money than 3½ for English.

28. Mr. *van Breda*.] Is there any objection to a railway being constructed in the Colony entirely by convicts?—You would require to purchase materials, and employ skilled labour for some parts of the work.

29. You are aware that works have been constructed in this Colony, of greater importance than railways, exclusively by convicts?—I think not. You must have materials and skilled labour in addition to convict labour. But I am not an engineer.

30. Under the circumstances of the Colony, would you go to any expense for free labour?—Yes.

31. How would you make the money?—By taxes. I am not anxious to pay taxes myself, but when it is for a good thing I approve of it. I am not an engineer, and not qualified to give an opinion; but, of course, a great quantity of the work could be done by convict labour.

32. Mr. *Neethling*.] You have just mentioned that the Parliament and the Government made a mistake in having this Wellington railway made at such a high price?—I should say it might have been made for half the cost, or less, with the aid of convict labour.

33. Do you not think, then, that these three divisions should be relieved from the burden put upon them by this mistake of the Government and the Parliament?—No. Those divisions should pay. They petitioned the Government for the railway, and offered to pay the whole 6 per cent.

34. But was it not the intention to have it constructed as a main line to the interior?—It might have been intended; but the contract was only for the fifty-seven miles,

35. Mr. *Godlonton*.] Do you not think it is very desirable that that work at Tulbagh Kloof should be utilized?—I do. I thought it a great mistake to stop that work.

Hon
Col. Secretary.
Sept. 6, 1869.

36. I believe £46,000 has been spent upon it?—Something like that. And, of course, it is tumbling to pieces.

37. Mr. *de Smidt*.] Whilst on this subject of Tulbagh Kloof, I find, by the report of last session, that you could make it of the narrow gauge. Do you think that advisable?—Yes.

38. And the expense would be much less?—I think it would.

39. When you say there ought not to be a feeling against the sub-guarantee, do you consider that applies to those places which the line does not run through?—There are places which benefit less than others, and there are even people whom the railway injures to a certain extent; but we cannot select individuals when entering into an undertaking of this kind.

40. Is it not your opinion that whoever derives a benefit, direct or indirect, from the railway should be liable?—If you are going to extend the railway, I would bring into the sub-guarantee those beyond who would be benefited by it.

41. Mr. *Neethling*.] Do you not consider that the districts of Worcester, Robertson, Tulbagh, and other places in the neighbourhood, are benefited, directly and indirectly, by the Wellington Railway?—No doubt all these parts of the country are benefited.

42. And is it not your opinion that they should pay the rate also in a certain degree?—No. When the three divisions petitioned for the railway, they undertook to pay for it, and they should keep to their engagement.

43. Mr. *Godlonton*.] But, as a principle, do you approve of the sub-guarantee?—I would rather do without it. But when the inhabitants of certain districts ask for a railway, and get the Parliament and the Government to construct a railway on condition of a sub-guarantee, they ought to be held to their promise.

44. Mr. *de Roubaix*.] I find that the Committee of last session made this recommendation:—“It appears also to the Committee that the interest on the expenditure of £30,000, above recommended, should be charged on the general revenue of the Colony, without forming part of the guarantee mentioned in sections 4, 5, and 8 and other sections of Act

Hon.
Col. Secretary.
Sept. 6, 1869.

No. 9, 1862 (the Act for constructing a Railway between Port Elizabeth and Graham's Town). The Committee trust that the time is not far distant when all the sub-guarantees imposed by the Railway Acts may be dispensed with, and the more equitable and preferable mode be adopted of charging the interest of money already expended, or to be hereafter expended on railways, on the general revenue of the Colony, as is the case in Ceylon and other countries." Do you agree to that?—I think that railways are so desirable, so indispensable, that the country ought to construct them as soon as it can. And I do not think that because we have begun our first railway on a principle that people do not like much now, that we should stop. I cannot too strongly express my opinion that there should be a railway in the eastern part of the country.

45. Mr. *Hall.*] You are aware that there is a large amount of grain grown in the interior districts that cannot be got to a market for want of land transport?—Yes It cannot be conveyed at a remunerative rate. In Graaff-Reinet district, where I lived for ten years, I know that a great quantity might be raised if it could be disposed of at a rate that would pay them.

46. Are you aware that grain has been exported to English markets from this Colony?—In former years, I believe so.

47. Mr. *de Smidt.*] Mr. Leisching, in his evidence before the Committee of last session, speaking of the Ceylon railway says: "To obtain the necessary means for this purpose, they imposed an export tax." Would it not, in your opinion, pay in the end if a small export tax were imposed for the purpose here?—I think almost any tax might be levied for such a purpose, and that the Colony would benefit by it.

48. Mr. *Neethling.*] Would you consider it fair and just that while in the Western Province we have to pay the expensive sub-guarantee, another railway should be constructed in the Eastern Province from the general revenue?—Yes; I do not see any injustice in it.

[Subsequently, at the request of the Committee, Mr. Southey furnished the following memorandum of waste Crown lands in the Western Province (roughly estimated):

			Morgen.
Paarl ..	..	..	11,000
Piquetberg	..	..	40,000

	Morgen.	Hon Col. Secretary
Malmesbury	11,000	Sept. 6, 1869
Clanwilliam	247,700	
Beaufort West	200,000	
Fraserburg	3,000,000	
Bredasdorp	43,000	
Caledon	130,000	
Robertson	150,000	
Swellendam	82,300	
Tulbagh	500,000	
Worcester	800,000	
Victoria West	900,000	
Prince Albert	} There are large extents of ground in these divisions, but I have no means just now of arriving at their approximate area.]	
Oudtshoorn		
Calvinia		
Namaqualand		

Friday, 10th September, 1869.

PRESENT :

Mr. FLEMING (Chairman),

Mr. de Roubaix,
Mr. Neethling,
Mr. Godlonton,
Mr. de Smidt,

Mr. van Breda,
Mr. Wood,
Mr. Chase.
Mr. Hall.

Mr. *Brounger* examined.

49. *Chairman.*] You were engineer of the Cape Town and Wellington Railway?—Yes. Mr. *Brounger*.

50. This Committee is anxious to obtain information as to whether railways cannot be constructed on a cheaper system than formerly. You have recently been in England?—I have been residing in England for several years since the construction of the Cape Town and Wellington Railway. Sept. 10, 1869.

51. You have seen some recent improvements in railway construction?—I have. I went over to Italy to see what is being done on Alpine lines, particularly the Mont Cenis and Brenner lines.

Mr. *Brounger.* 52. That railway is constructed over very difficult country, with heavy gradients?—Yes; the Mont Cenis railway has gradients of one in twelve, and curves of forty metres, or about two chains English measure.

53. Mr. *Hall.*] Mr. Brounger, do you not think that a railway could be constructed in most parts of this country for £3,000 per mile?—It might possibly be done, in level parts, with the aid of convict labour, but not on an average, for a substantial, durable line.

54. But if a great portion of it was a single line of rail?—I refer to a single line of rail, on ordinarily level country, but not including mountain passes. It might be done for about £5,000 or from £5,000 to £6,000 per mile with free labour.

55. Mr. *Chase.*] Taking, for example, the Wynberg railway, what do you think such a line could now be constructed for, on the improved plans, in such a country?—I should think within £6,000, not including land, and without convict labour.

56. But what with convict labour?—It is difficult to estimate exactly, but probably a reduction of £1,500 might be made, when they become accustomed to the work.

57. Mr. *Godlonton.*] Supposing you had 500 convicts, what saving would you make per mile?—It is a question of time and length of line. It might be £2,000; not more.

58. Mr. *Hall.*] In making embankments, it is not considered politic to carry on too quickly?—The quicker the better; but time should be left to consolidate.

59. Mr. *Wood.*] Were you engaged in laying down the Wynberg Railway?—No.

60. Were you employed on the Wellington line?—Yes; and on other lines previously.

61. Can you give us what would be the cost of the earthworks preparatory for the sleepers?—Up to the permanent way level, including culverts, about £1,500 or £1,600 per mile.

62. Is that calculation for European or native labour?—Such labour as can be obtained in the Colony, at present prices, and presuming that the work is not pushed so as to raise the labour market.

63. At what do you estimate the pay of a labouring man per day?—From 2s. to 5s., according to whether he is skilled or not.

64. What would be the average of skilled labour per day on an ordinary railroad?—I am unable to answer that question off-hand. Mr. Brounger.
Sept. 10, 1869.

65. Can you give the Committee any information as to what is the cost per mile for sleepers, for a single line?—About £500.

66. That is, reckoning your sleepers to be placed, how close?—A yard apart.

67. Is that the distance they are apart on the Wellington line?—It is.

68. And for what weight is that constructed?—The rails are seventy lbs. per yard.

69. But what weight will these sleepers, a yard apart, have to bear, including engines, and traffic?—The greatest weight that comes upon the Wellington line is probably about twelve tons at one time on one sleeper.

70. What would that rail cost per mile?—It varies; from £750 to £800 per mile for such a line as I have estimated.

71. Does that include fastenings?—It is without the fastenings.

72. What would the fastenings cost per mile?—About £170.

73. You have said that a railway could be constructed for £5,000 or £6,000 per mile. Is that for the same strength as the Cape Town and Wellington line?—No; a lighter line; one with rails for fifty lbs. per yard.

74. Then there would be a difference of some 20 per cent. in the cost?—It would be more. There would be a saving of 40 per cent. on the rails.

75. And on the fastenings?—Yes, they would be less costly.

76. About what?—I have not the weights of the fastenings of the Wellington line with me; but probably about the same difference as with the rails, about 40 per cent.

77. Would it require for the lighter rail a sleeper equally as strong as for the 70-lb. rail?—No; the weights running over would be lighter.

78. Can you give us an idea of the size of the sleepers on the Wellington line?—Ten inches by five.

79. And on the lighter line?—Nine inches by four and a half.

Mr. *Brounger*. 80. Are these sleepers sold by measurement?—At so much per sleeper, according to size.

Sept. 10, 1869.

81. Were the sleepers on the Wellington line colonial or imported?—Almost entirely imported.

82. Had you any colonial?—Yes.

83. Can you tell the Committee what woods they were?—Black stinkwood, red pear, iron-wood, and several others, the names of which I do not recollect.

84. Do you happen to know whether the colonial woods were equal or inferior to those imported?—There has been hardly time to judge of the merit of the different kinds of wood. A portion of those imported were inferior, and had to be rejected without being laid down. The colonial woods were placed at particular spots, which were recorded, so as to give the opportunity to judge of their respective merits. I have heard that black stinkwood has been found to stand the best.

85. Have you sufficient experience to be able to tell the Committee whether the colonial woods are equal to those imported?—I have not.

86. Do you happen to know the cost of the colonial sleepers and the imported ones?—I believe they have been about the same price.

87. Do you know whether those imported were duty-free or paid?—Duty-free.

88. Did that apply to all the machinery and iron-work?—It did.

89. You are quite clear on that point?—Yes.

90. Mr. *Chase*.] Do you know the properties of sneeze-wood?—Not from my own knowledge; but I have heard it spoken of in the highest terms. I understand, however, it is difficult to obtain in large scantlings.

91. Mr. *Wood*.] What does it cost to lay the permanent way?—Fifteen pence to eighteen pence per yard.

92. That includes laying the sleepers and rails?—Yes. And I think convicts would soon be competent for that kind of labour.

93. Mr. *Hall*.] Do you know what would be the cost of kyanising woods in this country?—I suppose about eight pence per sleeper.

94. Then if yellowwood were put through this process of kyanising, would it be equal to imported pine?—Hardly, I

think. It has not the resin. I should think that, probably, Cape fir would be superior to it.

Mr. *Brounger*.

Sept. 10, 1869.

95. You have stated that the cost would be £750 per mile for rails at 50 lbs. per yard; £170 for chairs and pins; £1,400 for bridges and culverts; and fifteen pence per yard for laying the permanent way,—say £150. That is only £2,470 per mile?—Yes; but then you have besides to provide stations, level crossings, fencing, telegraph, and rolling stock.

96. Mr. *Wood*.] On an ordinary railway, how far apart are your stations, as a rule?—I think about one in ten miles, on the Wellington line.

97. Do you know the average cost of them?—I do not recollect what they cost exactly; but I have estimated for this line, of which I have spoken, £250 per mile.

98. Mr. *de Smidt*.] Does not the distance of the stations depend on your means of collecting produce or passengers at particular points?—Certainly.

99. I think you stated, with regard to imported and colonial sleepers, that their cost was about the same. Are we to understand that, notwithstanding the imported being duty-free, they still cost as much as the colonial?—I believe they did.

100. Mr. *Neethling*.] You have been round seeing how railways are constructed in Europe. On what principle are they constructed; is it with a sub-guarantee?—I should say more by private enterprise than Government guarantee. I do not know of any case of sub-guarantee.

101. Mr. *Godlonton*.] In France, I believe, the railways are chiefly in the hands of the Government?—They will be. They were conceded for a term of years, after which they will fall into the hands of the Government.

102. With reference to sleepers, have not cast-iron sleepers been introduced?—They have been tried; but there is an objection to them on account of their rigidity, and the consequent injury to the rolling stock. Most of the companies in India have tried them, but found them objectionable, and they are now seeking for sources from which they can obtain good timber sleepers.

103. Is the expense greater than for wood?—It is greater.

104. *Chairman*.] You have no doubt that in this country you could get wood suitable for everything required in a railway, such as for sleepers, carriages, &c.?—No doubt.

Mr. Brounger. 105. Mr. *van Breda*.] Were you engaged as an engineer Sept. 10, 1869. on the railway when it was commenced here?—I was.

106. Could that railway have been made cheaper than it was?—It could have been made cheaper by not going round by Stellenbosch.

107. But I mean per mile as it is?—Yes. That line was stipulated to be equal to the generality of English lines. Savings might have been effected in various ways, particularly in the stations. But with reference to the actual work, a railway of that kind, with 70-lb. rails, could not at that time have been constructed for much less.

108. If the railway had to be now constructed similar to the Wellington, could it be done for less money than that cost?—Yes; materially cheaper.

109. Is the existing railway not too expensive for the present traffic of the country?—Yes.

110. What is the reason that it cost more than the original contract?—Principally owing to the contract that was made, and the delays and difficulties connected with it.

111. Not in the levelling of the ground?—No; but by delays caused by the contract, and other circumstances.

112. Were not the stations a cause of great expense; could they not have been made cheaper?—The stations could have been made cheaper.

113. Could not the line be made entirely by convict labour?—No. I think some skilled labour must be employed, at all events for some years; and sufficient for superintendence at all times.

114. Have you seen some of the works in the Colony made entirely by convict labour?—I have seen some of the mountain passes.

115. Have you been through Bain's Kloof, Mitchell's Pass, Montagu Pass?—The two first I have been over. I have not been through Montagu Pass.

116. Do you not think the work is very satisfactorily done?—Yes. But that is only up to the formation level. Above that, skilled labour would be required; as also in some of the bridge-work.

117. You have seen the sleepers laid from colonial wood; were any of them of oak, or fir?—Oak has been tried. I am not aware that fir has been tried.

118. Can you give an opinion as to which of the colonial

woods is best for sleepers?—Of those tried, as I before Mr. Bronger stated, I believe, from report, that black stinkwood is the Sept. 10, 1859. best.

119. Mr. Wood.] Have you been on the Frontier?—I have not.

120. Mr. Godlonton.] Have you ever been engaged on a narrow gauge line?—Not narrower than 4 feet 8½.

121. Are not the carriages on the Wellington line unnecessarily expensive?—They might be made somewhat cheaper, but they are not expensively fitted.

122. Mr. de Roubaix.] How long were you in the Colony previous to your leaving for Europe?—Six years.

123. Do you consider, from the experience you have acquired, that it would be for the interest of the Colony that railways should be extended?—Decidedly.

124. Mr. Neethling.] Government has it in contemplation to take over the railway as a Government concern. Do you think that would be favourable to the Colony?—I think so; for I gather that there is a strong feeling against extension until it has been acquired by the Colony. And I believe, also, that it would result in a saving to the Colony as regards its contribution in the shape of interest. The amount for which the Government is now liable is £30,000 per annum. If the Government obtained the railway the net profits now made would come to the Colony in reduction, and those profits are returned for the past year at upwards of £8,000. And I believe it might be acquired at a price which, taking the profits into consideration, would result in a diminution of the amount of the annual cost to the Colony.

125. Mr. Wood.] Have you had any experience in convict labour?—I have not. I have judged of what class of work they could execute, and made my calculation on that, from observation.

126. Do you think it is possible for this Colony to progress like other colonies without railways being constructed?—I have no knowledge of other colonies, except from reading; but I believe that without railways other countries will cut us out by competition in the markets.

127. Mr. de Smidt.] You are acquainted with the traffic on the Cape Town and Wellington line. If that line had been constructed on a cheaper principle, with the narrow

Mr. *Brounger*. gauge and lighter rail, would it not have answered all the purpose it does now?—Yes, I believe so, with the use of recent improvements in locomotives. As regards the narrow gauge, however, or exceptionally narrow gauge, I do not consider that it would be desirable to adopt it in this Colony; especially when the ordinary gauge has been laid on upwards of sixty miles of line. The trials of it hitherto have been small in number. In Norway it has been tried on a small scale. In Wales, passenger carriages have been put on a mineral line. In India it has been tried, but its extension is discouraged by the Government. On the Mont Cenis it was used, because the narrowness of the portion of the then existing road accorded to the Company required its adoption; but experience shows that, under other circumstances, the ordinary gauge would have been much better. And in Queensland the attempt to economize in this way has been carried to excess, resulting in largely increased expenses; whilst the cost of the railway, after all, has been considerably higher than is generally supposed.

128. Mr. *Hall*.] You are aware of the system of railways in India, and the very large increase in the production and export of cotton, jute, indigo, and other articles since railways were introduced?—Yes; I understand such to be the case; though as regards cotton, it was at first probably owing to the American war.

129. Have you any knowledge of the Buenos Ayres line, through the Argentine Republic?—I understand they are likely to be very prosperous lines, and that they bring down large quantities of produce.

130. Have you any knowledge of the Smyrna and Aidin railway having opened up a large cotton-growing district?—I understand that the traffic is increasing very rapidly.

131. You are aware that it was constructed by English capitalists?—Such is the case.

132. Mr. *Godlonton*.] You have stated that if the Wellington line had been constructed according to modern improvements, it would have been much cheaper. Then, if it had been so done, it would have been a very profitable speculation to the Colony?—Profitable to the Colony, but not necessarily in the return of a large amount of interest. The profit up to the present time is only £8,000 per annum, which would be the interest only on £130,000, and a lighter

line would have exceeded that cost. But by extension the traffic would, doubtless, be increased, and the profit also.

Mr. *Brounger.*

Sept. 10, 1869.

133. Do you know anything of the work constructed at Tulbagh Kloof?—Only from report; I have not seen it.

134. Are you acquainted with the locality?—I have been there several times.

135. And do you think the extension there would be of advantage to that part of the Colony?—Yes. At the same time, a more direct line would be much more advantageous to the Colony, so as to get into the interior without going so much round. I think it possible that a very much shorter line might be found by way of Franschehoek, with a short tunnel, on which convicts could be advantageously employed, such tunnel being available for any future line that might be decided upon in that direction.

136. Mr. *Neethling.*] Do you not think it is a great impediment to have the railway belonging to a Company if we wish to extend our line; do you not think it would be better to have it belonging to the Government alone?—I think it would. The Government could then make such regulations as they think fit.

137. Mr. *Wood.*] Do you know the cost of the present railway?—According to the evidence given last session, there are £220,000 Company's debentures and preferent stock, and £516,000 ordinary stock, making together £736,000.

138. And the gross profits of the Company for last year?—The net profits were returned as £8,377 for the Wellington line.

139. The gross returns?—I have not the figures with me, but they are published. They were, I believe, between £40,000 and £50,000.

140. Then the £8,000 left, after deducting working expenses, would go towards the interest account, would it not?—Yes.

141. Do you happen to know whether there was anything deducted for the year's wear and tear?—I believe there was nothing deducted for depreciation. The only charge of that kind that I know of was that for repairs and renewals during the year.

142. Then this apparent profit of £8,000 stands to cover depreciation and interest?—If a line is kept in proper repair by renewals, it is not customary to set aside a reserve fund for depreciation.



APPENDIX.

[A]

CORRESPONDENCE BETWEEN CAPE RAILWAY COMPANY AND
COLONIAL GOVERNMENT.

Cape Railway Company
(Late Cape Town Railway & Dock Company),
Cape Town, 14th June, 1869.

To the Hon'ble R. SOUTHEY, Esq.,
Colonial Secretary, &c., &c.

SIR,—In accordance with the established custom, I have the honour to forward herewith, for the information of His Excellency the Governor, two copies of the Report of the Directors of this Company, submitted to and adopted by the shareholders at the 22nd half-yearly meeting, held at the City Terminus Hotel, Cannon-street, London, on Friday, the 30th April last.

I forward, also, copy of the *Railway Times* of the 8th May, which contains a full statement of the proceedings at the meeting alluded to.

It will be observed that in an appendix to the Report the Directors have published certain correspondence with the local Government connected with the questions of "extra guarantee" and the proposed purchase of the Wellington line.

In conformity with instructions from the London Board, I shall avail myself of an early opportunity to address His Excellency on those subjects; and, in the meantime,

I have, &c.,

THOS. WATSON, General Manager.

Cape Railway Company,
Cape Town, 17th June, 1869.

The Hon'ble R. SOUTHEY, Esq.,
Colonial Secretary.

SIR,—Referring to my letter of the 14th instant, handing you copies of reports of the London Directors and a *Railway Times* of the 8th May last, containing a full account of the proceedings which took place at the last half-yearly meeting of the proprietors, I have now the honour to crave the kind attention of His Excellency the Governor to certain statements made and resolutions passed at the meeting alluded to, in connection with the questions of "claim for extra guarantee" and proposed purchase of the Wellington line.

I may remark, *en passant*, that this communication is made at the express desire of the London Board, with the view of placing clearly before the Executive Government the opinions entertained by the proprietors of the Company in regard to the manner in which the above questions have been treated by the local authorities.

A careful perusal of the observations made by one or two of the leading proprietors at the meeting mentioned will have put His Excellency in possession of the facts and circumstances on which their complaint is founded, and as the managing director, in a letter by last mail to the local committee here, has fully entered into both questions, I cannot do better than quote his words on the subjects.

Under head of "Claim for addition to Guarantee," he says: "You will not be surprised to learn by the report of the meeting that our proprietors expressed themselves fully and freely, not only on the delay of the Government in dealing with our claim, but also on the position assumed by the Executive in refusing to go to arbitration at all, if the Company claims to enter into any question involving a larger sum than half a million.

"How far the Executive has pledged itself to go to Parliament for a guarantee on a larger sum than half a million is entirely a question of evidence, and as such ought, in common fairness, to be submitted to a proper tribunal. It is therefore much to be regretted that the Executive Government, in refusing to go to arbitration on this point, should appear to be taking advantage of their position as a Government to refuse to join in that appeal to justice which a private individual could be forced to allow. In further reference to the subject of our claims, we request that you will call the attention of the Executive Government to the statements made at the meeting by Mr. W. Fane de Salis, the Chairman of the London Chartered Bank of Australia, and especially to his reference to the fact of the estimates on which tenders for our line were originally invited by the Cape Government having been furnished by the Government itself, and proved cruelly deceptive, thus raising the strongest ground, apart from any legal claim, why an equitable and generous consideration of our claims should be adopted by the Government. Mr. de Salis's speech expresses not only the feelings of our proprietors as to the hardship of their own case, but those of the English public on the imperative necessity for faith being most strictly kept by Governments in their contracts as guarantors and borrowers, and of the advisability of their dealing liberally with their creditors if they would maintain a good position for their securities in the English money market. It can hardly have escaped your notice that for years Spanish securities have been excluded from the list of the London Stock Exchange, on this principle, and that only very lately the last Italian loan was effectively opposed quotation in the stock market until other prior creditors of the Italian Government had been satisfactorily settled with."

“Brazil and Portugal have also lately seen the wisdom of pursuing a similar course of settlement with their railway companies before entering the English money market as borrowers.”

With regard to the offer to *purchase the line*, he writes as follows:

“With reference to the late offer for the purchase of our line by the Colony, we have already so clearly expressed our views, that we need only now refer to the strong resolution passed by the meeting on the subject, and to the point so ably brought forward by Mr Kimber, namely, that the nominal price of so small a stock as ours in the market is no real criterion of its value as an investment. Mr. Kimber is perfectly correct in saying that a very small purchase would at once affect the price, and that anything like a continuous demand would, from mere scarcity of sellers, run the price up with great rapidity.

“This arises not only from the small amount of our stock, necessarily limiting the market for its sale, but from the fact that the supply is further limited by the large amount,—nearly one third of the whole,—being held by trustees, and of the remainder the bulk having been purchased as investments, and very often at high premiums, or from the very inception of the Company.

“Much as the Board regrets that any occasion should have been given to the proprietors for the expression of such opinions as are embodied in the resolution as to the offer of purchase, they cannot be surprised at them, especially when they consider how liberal has been the conduct of the Victorian Government in their dealings with their railways, of our own Government in the purchase of the telegraph lines, and that of the Government of India towards the Calcutta and South-Eastern Railways, and the East Indian Irrigation Companies, in both of which latter cases the whole of the capital expended has been repaid with interest. We are desired by our shareholders to instruct you to call the immediate attention of the Government to the proceedings and statements at the late general meeting.”

These remarks convey in a concise and unmistakable form the ideas of the majority of persons who in the first instance freely invested their money on the strength of a six-per-cent. guarantee; and, therefore, it is not surprising to find that while an annual return to the extent of only two thirds of this rate is really received, and at the same time the claims of the Company for compensation on account of moneys spent in carrying out requisitions made by officers appointed by the Government here are treated with silent indifference, that they feel grievously disappointed.

The question as to whether these claims are legitimate or not can only be decided by arbitration, or in a court of law; and it does seem difficult to understand why the local Government should refuse to join in an appeal to such tribunals in order to bring the matter to a conclusion.

As exception was taken to the jurisdiction of Mr. Hawkshaw, an offer was made in my letter to you of the 17th August last, which, in effect, allowed the Colonial Government to appoint their

own arbitrator. This letter has never been answered, or the offer then made either declined or accepted.

In conclusion, I may remark that in the absence of any decided action having been taken by the Colonial Government in the meantime, it was the intention of the directors in London to appoint an arbitrator on the part of the Company, and to call upon Captain Galton, or the Secretary for the Colonies, to name one on behalf of the Government here, with the object of proceeding at once with the reference, as provided by the clauses of the contract.

I enclose printed copy of the deed of surrender and articles of agreement entered into between the Secretary of State for India and the East Indian Irrigation Company respecting the purchase of the interests of the latter, referred to in the letter of the managing director.

I have, &c.,

THOMAS WATSON, General Manager.

Colonial Office, 3rd July, 1869.

The General Manager of the Cape Railway Company,
Cape Town.

SIR,—I am directed by the Governor to acknowledge the receipt of your letter of the 17th ultimo, in which you transmit, for His Excellency's information, certain extracts from communications received by you from the Managing Director in London of the Cape Town and Wellington Railway Company, and with reference thereto and to previous communications from you upon the same subject, I am to acquaint you that it appears to His Excellency that both the London Board of Directors and yourself misapprehend the position taken by the Government with regard to the questions at issue between us.

In the earlier letters above mentioned you convey opinions that two totally different questions are at issue between the Government of the Colony and the Cape Town and Wellington Railway Company,—one a matter of fact and the other a matter of law. The former, you assert, is a proper question for arbitration, because, in your opinion, it involves no question of law. This question of fact, as stated by yourselves, is, What amount of money has the company expended *bonâ fide* on the railway and the additions thereto under the express direction and with the sanction of the Government or its authorized officers, and under an expressed or implied undertaking that the guarantee shall extend to such expenditure, whatever the amount?

With regard to this point, I am to observe that no explanation is afforded in your letters to show how the *implication* of an undertaking from facts, even if the facts were admitted, can be other than a question of law; and how an engineer, however able in his

profession (and it is an engineer only whom you propose to appoint as an arbitrator, if arbitration be resorted to), can be as satisfactory a judge in such a case as the ordinary and authorized tribunals of justice. It is clear to His Excellency that any implication from facts outside the contract, tending to extend it beyond its own purport and purview, are not questions which, under the arbitration clauses in the contract, the Government is required to go to arbitration upon. This Government has not refused arbitration upon other matters, although it is of opinion that if there be litigation it would entail needless expense and waste of time to go to arbitration about a few items, while it is obvious that any decision arrived at would affect only those items.

In the third paragraph of your letter of the 17th ultimo you say, or imply, that the Government has refused to submit to a "proper tribunal" the question of how far it has pledged itself to apply to Parliament for an extension of the guarantee, and that the Government has taken advantage of its position as a Government to refuse to join in that appeal to justice which a private individual could be forced to allow.

I cannot too clearly or emphatically deny the correctness of these assertions. This Government has never refused this, or any other question, to a "proper tribunal," nor would it be guilty of so manifest an absurdity. We differ from you as to what is a "proper tribunal," but at the same time, and to the fullest extent, admit that we are as much amenable to the decision of the legal tribunals of the country as any private individual can be.

Further on in your letter, you draw attention to a speech made by a Mr. de Salis, who appears to be a shareholder in your Company, and allege that it expresses the feelings of the English public on the imperative necessity of faith being most strictly kept by Governments in their contracts as guarantors or borrowers, and of the advisability of their dealing liberally, &c.; and you proceed to remark upon the conduct of the Stock Exchange with regard to the securities of certain foreign States, one of which notoriously repudiated a portion of its debt.

The speech of Mr. de Salis would have been deemed unworthy of notice but for the manner in which you have mentioned it.

Your allusion to it, if it stood alone, would have amounted to an assumption on your part that the view taken by your Company of the questions at issue admitted of no dispute. Yet, curiously enough, you proceed to state that "the question as to whether these claims are legitimate or not, can only be decided by arbitration, or in a court of law.

You have only to appeal to a court of law, and the Government will abide the result.

I have, &c.,

R. SOUTHEY, Colonial Secretary.

[B]

EXTRACTS FROM SIR C. P. RONEY ON RAILWAYS.

“The construction of railways cheaply in France is now occupying attention. A railway on this system was opened on the 25th of August last,—the line from Fougères to Vitré, on the Chemin de Fer de l'Ouest. Its length is twenty-three miles, and it has been constructed for £100,000, or at the rate of £4,348 a mile, notwithstanding the fact that it is carried through a difficult country, necessitating numerous heavy works, the greatest of which is a viaduct, constructed of granite, 120 yards long and 22 yards high. The rails are Vignole's pattern, 60 lbs. to the yard. The above price includes stock, shops, and their equipment, &c. But everybody received “*argent sonnante*,” as the works progressed, and the line was not opened until everything had been settled up and paid for. This is one of the secrets appertaining to the economic construction of railways.”—P. 31.

“The railways of Queensland consist of two main trunk lines, one for the southern districts, from Brisbane, at the head of the Moreton Bay navigation, and one for the northern districts, from Rockhampton, at the head of the navigation at Keppel Bay, running nearly due west into the interior, passing through Westwood, and other townships, and traversing the extensive Leichhardt district, whence it will be eventually extended to Claremont, a township of the Peak Downs, distant 220 miles from Rockhampton. This extension, when completed, will open out a vast territory, and will give the same facilities for the inhabitants of the Province to transport their enormous yields of wool to the seaboard as India now possesses for its cotton. The first section of this railway from Rockhampton is on the eve of completion.”—P. 308.

“The gauge of the Queensland railways is 3 feet 6 inches, and the reason for its adoption in these narrow proportions was to save the great additional cost which construction on a wider gauge would have entailed in passing through the extremely difficult country between Ipswich and Toowoomba. Two ridges of hills have to be crossed, one 700 feet and the other 1,400 feet above the level of the land at their bases. The main range incline is sixteen miles long, and upon it there are eleven tunnels, the longest of which is over three quarters of a mile, all of which require lining with stone or brick. The total number of bridges is 47; their total length is 5,196 feet, or 84 feet less than a mile. In one locality they are so crowded together that there are eight in three quarters of a mile. The longest is 535 feet, the greatest in height is 73 feet over the rails. The steepest gradient is 1 in 50; the longest at that rate of inclination is 1,820 yards; the total length of 1 in 50 is 4 miles 280 yards. The average gradient of both inclines is 1 in 70.”—P. 309.

[C]

CONSTRUCTION OF ROADS AND BRIDGES—EXPENDITURE,
1844 to 1869.

Construction of Roads to 30th June, 1869	£802,112
Estimate of Cost of completing Roads in course of construction	43,500
Construction of Bridges to 30th June, 1869	143,460

CONSTRUCTION OF BRIDGES—1844 to 1869.

NAME OF BRIDGE.	When built.	Cost.	REMARKS.
		£	
Brak River Bridge	1844-1845	782	
Lamen's Bridge, Somerset West ..	1845	1365	
Bot River Bridge, Caledon Road ..	1845-1846	899	
Brede River Bridge, Swellendam ..	1845-1846	755	
Do., now Darling Bridge	1851-1854	1545	
Do., do.	1860	5277	Renewal.
Palmiet River Bridge, original ..	1847-1854	1934	
Do., present ..	1865	2530	
Bath Bridge, at Caledon	1865-1866	939	
Buffeljagt's River Bridge	1845-1854	19657	
Duivenhok's do.	1845-1847	563	
Bridges, George Division	1868-1869	822	
Mitchell's Pass Bridge, original ..	1851-1855	3422	
Do. do., present	1860-1862	5382	
Berg River Bridge, Piquetberg ..	1859-1862	24194	
Lady Grey Bridge, Paarl	1854-1858	12644	
Mossel Banks River Bridge, Malmesbury	1861-1863	3539	
Twelfth Milestone, Maitland Road	1863	1237	
Elsjes River Bridge, Simon's Town	..	514	
Rawson Bridge	1859-1860	8041	Including £2226; excluding repairs, 1864-'65-'67.
Koonap Bridge	1859-1860	6345	
Carlisle Bridge	1859-1863	15329	
Tarka Bridge	1860-1865	7914	
Cookhuis Bridge	1865-1868	10816	
Katberg Pass Bridges	1862-1868	1577	
Klaas Smit's River Bridge	1868-1869	2335	
Zwartkei River Bridge	1868-1869	3103	
Total .. .. .	..	143460	

CONSTRUCTION OF ROADS, 1844, to 30TH JUNE, 1869.

NAME OF ROAD.	Expenditure, 1844 to 1868.		Total to 31st December, 1868.	Expendi- ture, Jan. 1 to June 30, 1869.		Estimate of Cost of completion.	
	Road.	Convict.				Road.	Convict.
	£	£				£	£
Cape Town to Simon's Town ..	5512	..	5512				
Do. to Eerste River ..	45737	10520	56257				
Eerste River to Houwhoek ..	4455	..	4455				
Houwhoek Pass and Road ..	5521	..	5521				
Swellendam Road ..	1116	..	1116				
Klein Brak River Causeway ..	1471	..	1471				
Great Brak River Road ..	9132	911	10043				
Gouritz River to Montagu Pass.	8736	..	8736				
Montagu Pass	16267	26711	42978				
Do. to Longkloof	1489	..	1489				
Campher Poort Road	1049	825	1874				
Cape Town to Paarl	5504	21614	27208				
Bain's Kloof	10811	42452	53263				
Mitchell's Pass	7084	20150	27234				
Do. to Beaufort	1746	3267	5013				
Worcester Road	342	4331	4673				
Gydow Pass	715	..	715				
Warm Bokkeveld Road.. ..	1047	2433	3480				
Cape Town to Malmesbury ..	13511	13640	27151				
Malmesbury to Berg River ..	2726	..	2726				
Pikeneers Kloof.. ..	1297	13768	15068				
Do. to Clanwilliam. ..	6430	..	6430				
Meiring's Poort	5069	..	5069				
Seven Weeks' Poort	4301	12199	16500				
Boschuis Kloof	8150	..	8150	849			
Knysna to George	11997	97069	109066	299	2109	1700	10000
Namaqualand Road	2306	12613	14919	388	3604	1500	10000
Ruiterbosch .. ..	..	7941	7941	..	2077		
Van Staden's and Gamtoos ..	7051	..	7051	..	..	600	
Port Elizabeth & Graham's Town	8562	32199	40761	551	..	1000	
Hlowison's Poort	11967	24843	36810				
Graham's Town & Fort Beaufort	943	..	943				
Fort Beaufort and Koonap ..	1106	..	1106				
Graham's Town to Cradock ..	17628	..	17628				
Do. to Breakfast Vley ..	5091	..	5091				
Carried forward .. ..	..	..			

For yearly Expenditure to 1869, see within Return.

CONSTRUCTION OF ROADS (*continued*).

NAME OF ROAD.	Expenditure, 1844 to 1868.		Total to 31st December, 1868.	Expendi- ture, Jan. 1 to June 30, 1869.		Estimate of Cost of completion.	
	Road.	Convict.		Road.	Convict.		
	£	£	£	£	£		
Brought forward							
Breakfast Vley & K. W.'s Town	894	..	894	588	3254	2700	10000
Katberg	18070	72762	90832	466			
Queen's Town and Aliwal North	632	..	632	..	..	6000	
Port Elizabeth and Graaff-Reinet	27623	7502	35125				
Graaff-Reinet and Middelburg ..	12301	..	12301				
Zuurberg	12598	54587	67185				
Do. to Cookhuis .. ..	..	3510	3510				
Total .. ..	..	..	787927	£14185	£43500		
Total to 31st December, 1868 ..	..	..	787927				
1st January to 30th June .. ..	..	..	14185				
			802112				
Construction of Roads .. ..	..	..	802112				
Do. of Bridges .. ..	..	..	143460				
			945572				

[D]

TO HIS HONOUR THE PRESIDENT AND THE MEMBERS OF THE LEGISLATIVE COUNCIL OF THE COLONY OF THE CAPE OF GOOD HOPE, IN PARLIAMENT ASSEMBLED.

The Petition of the undersigned, Residents in Cape Town and its Neighbourhood,

HUMBLY SHOWETH,—That your petitioners hail with satisfaction the fact that your Honourable Council has again taken up the question of railways, and desire to express the hope that some practical legislative measure of extension of railways in this Colony may result from the labours of the select committee now considering this subject. They believe that no mere retrenchment of public expenditure will have the effect of permanently relieving the Colony from its present financial difficulties, and respectfully submit that it is imperatively necessary, for the sake of colonial enterprise and advancement, that public works for the purpose of developing the resources and increasing the productive power of the country shall no longer be delayed. They venture to suggest that a policy which compels the working men to starve and sicken for want of employment cannot fail to diminish consumption, and thus produce a mischievous effect on the Custom-house revenue.

Your petitioners humbly crave leave to bring to the prominent notice of your Honourable Council the annexed extract from a report of a select committee, appointed on the 29th June, 1868, of which His Honour the late much-esteemed Sir William Hodges, who always took deep interest in the agricultural progress of the Colony, was chairman: “The Committee submit that the evidence taken by them has shown that the time has arrived when the further extension of railways within the Colony is becoming a pressing necessity.”

Your petitioners are strongly impressed with the opinion that the fact of the Cape Town and Wellington Railway being the property of the Cape Railway Company may militate against its extension; and as bearing upon the transfer of this undertaking to the Colony, referred to in the speech with which His Excellency the Governor opened the Parliament, they respectfully call attention to the subjoined paragraphs of the abovementioned report of the select committee:

“7. The Committee would also be prepared, should the above suggestion be adopted, to recommend a similar grant for the purpose of making at once further extensions of the railway now opened between Cape Town and Wellington, particularly an extension from the latter place to the works already executed at

Tulbagh Kloof; but, for reasons about to be stated, they think it desirable to endeavour, in the first instance, to purchase the railway from the Cape Railway Company.

“8. For the sake of argument it may be assumed that the Company have disbursed more than £600,000 in constructing the railway and procuring the rolling stock. Of this sum about £200,000 may be assumed to be preferent stock, bearing interest at £6 per cent. The interest on this amount is £12,000 per annum. As the Colony is now under a guarantee to pay £30,000 per annum to the Company, £18,000 will remain to meet the annual interest on the sum necessary to purchase the remaining £400,000 stock. The stock is now quoted in the market at, say, £50 per £100, or something below that rate. It is obvious that if the Government, by an Act of Parliament, should be authorized to issue debentures for the purchase of the railway, provided that the annual interest payable on them does not exceed £30,000 per annum (the amount of the guarantee now secured), a very liberal offer can be made to the shareholders for acquiring their interest in the undertaking. We therefore recommend that such an Act of Parliament should be introduced during the present session.

“9. It will probably be to the mutual advantage of the Colony and the Company that the proposed purchase should be carried into effect.”

Your petitioners beg further respectfully to submit that it will be found that in the year 1868 the Cape Railway Company made a profit, from working the Wellington line, of £8,377 17s. 8d., and that there can be no doubt that the railway in the hands of the Colonial Government could be more economically managed and a larger profit made. They believe, therefore, that even in the light of retrenchment, the purchase by the Colonial Government from the Company of the Cape and Wellington Railway deserves to be carried into immediate execution.

Your petitioners see from the correspondence already published that any attempt on the part of the Executive Government to come to an agreement of purchase with the Company would be of no avail until the Executive had “obtained definite authority from the Legislature to carry out the terms if, and when, agreed to.”

Your petitioners, therefore, humbly pray that your Honourable Council will be pleased to devise some legislative measure for the extension of railways in this Colony, and for giving the Government the necessary authority for purchasing from the Cape Railway Company the Cape and Wellington line.

And your petitioners, as in duty bound, will ever pray.

JOHN J. STORER

(and 491 others).

[E]

TO THE HONOURABLE THE PRESIDENT AND
MEMBERS OF THE LEGISLATIVE COUNCIL
OF THE CAPE OF GOOD HOPE, IN PARLIAMEN
ASSEMBLED.

The Petition of the undersigned, Landed Proprietors and other
Inhabitants of Cape Town and its vicinity,

MOST HUMBLY SHOWETH,—That petitioners perceive that the
question of the sub-guarantee under the Railway Acts is occu-
pying the attention of the Legislature.

That petitioners conceive that the time has now arrived that
such sub-guarantee, which presses so heavily on those who are
compelled to pay the same, should be done away with. They
accordingly most humbly pray that it may please your Honourable
Council to repeal the existing law, for effecting such an object
and in the event of it being determined that the arrears of such
guarantee should be paid, petitioners further pray that means be
devised by your Honourable Council for the granting of such
time as will enable parties to liquidate such obligation, which
indulgence would, petitioners apprehend, have the effect of saving
a very large number of persons from ruinous consequences.

And petitioners, as in duty bound, will ever pray.

Christian L. Wicht,
J. A. H. Wicht,
J. Blanckenberg, Senior,
R. H. Arderne,
J. A. Bam, Junior,
John M. Brown,
D. Steedman,
Geo. Bainbridge,
A. H. Hofmeyr,
J. G. Stadler,
P. M. Brink,
L. Byrne,
W. E. Moore,
J. C. Kotzé,
J. J. D. Buyskes,
Thomas Wilson,

N. W. Meyer,
J. C. Gie, Junior,
Jno. A. Roos,
J. P. de Villiers,
P. Penketh,
C. H. Bösenberg,
W. J. van de Ven,
A. Stegmann,
N. H. Marais,
A. F. C. Linde,
J. Leibbrandt,
(Illegible)
J. H. Bam,
D. G. Ziedeman,
J. M. Maynard,
T. J. C. Inglesby.

UNIVERSITY OF CALIFORNIA LIBRARY
Los Angeles

UC SOUTHERN REGIONAL LIBRARY FACILITY



AA 001 007 691 7

